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c/o Matanuska Electric Association, Inc. Post Office Box 2929 Palmer, Alaska 99645 (907) 761-9212

MINUTES OF THE BOARD OF DIRECTORS MEETING
September 20, 2012
Frontier Building, JAA Room
Anchorage, Alaska

CALL TO ORDER 10:04 a.m. (Chairman Reiser)

ROLL CALL

MEMBERS PRESENT

Bradley Evans and Janet Reiser (Chugach); Dick Waisanen (Homer Electric); Joe Griffith and Janet Kincaid (MEA);

TELEPHONICALLY

Mike Wiley and David Thomas (HEA); Cory Borgeson and Rick Schikora (GVEA); Willard Dunham (City of Seward); Brian Bjorkquist (Department of Law); Susan Reeves, P.J. Hill (Chugach)

PRESENT

OTHERS PRESENT

Mark Johnson (Counsel), Jim Henderson, Brian Hickey, Tyler Andrews, and Harry Crawford (Chugach); David Glines, Cassi Campbell, Denali Daniels and Suzie Deuser (MEA); Steve Haagenson (ARCTEC Consultant); Jim Posey (ML&P)

SAFETY MOMENT (Griffith) Suggests caution when opening doors during strong wind gusts.

ACCEPTANCE OF AGENDA (Kincaid/ Waisanen) Motion to accept agenda CARRIED.

APPROVAL OF MINUTES-August 24, 2012 (Kincaid/ Waisanen): Motion to accept August 24, 2012, minutes CARRIED.

APPROVAL OF MINUTES-August 31, 2012 (Kincaid/ Waisanen): Motion to accept August 31, 2012, minutes CARRIED.

REPORTS

A. Chairman's Report (Reiser)

- Nothing to report.

B. CEO's Activity Report (Griffith)

- Allowing time for the discussions that will follow.
- Invoices for \$25,000 contribution was sent to all members. Please submit your payment if you have not already done so.

C. Committee Reports

Business Planning (Reiser)

- No update provided.

Transmission/Hydro Committee (Evans)

- Intertie Management Committee has made an assignment to unifying Railbelt backbone system, determining the rate structure, specifying operational and technical details, defining the point of delivery, and considering the creation of a Reliability Council.
- According to the Intertie Agreement, 12 months are remaining to define open access regulations to be adopted by the Intertie Management Committee.
- Need to make progress on the Precedent Agreement.
- Bond Council said that Battle Creek is an appropriate use of the R&R funds.

CEO Search Committee (Evans)

- (Andrews) Discusses the difference between employee and contractor.
- (Borgeson) Suggests a change on the CEO description from employee to contractor.
- (Andrews) To provide a link to the job description for the utilities if it chooses to post.
- (Dunham) Cautions additional funding for a full time CEO may be difficult for some utilities.
- (Griffith/Evans) Motion to make necessary changes to the job description and post as soon as possible. Waisanen and Wiley vote nay. Chair declares the motion CARRIED.
- (Schikora) Raises a point of order about a letter appointing alternate Wiley.
- (Johnson) At the next meeting council will research appointing an alternate, and a proposed policy will be brought before the Board.
- (Dunham) Appointees should be recognized at the beginning of the meeting.

D. ARCTEC Board Member Responsibilities

- Point Paper on ARCTEC Board Member Responsibilities was distributed.
- (Johnson) Advises Board of possible limitations the utilities may have on their Board members as an ARCTEC representative and provides the ARCTEC Board with the restrictions on Chugach's Board members.
- (Reiser) Requests all the utilities bring their policies and disclose their restrictions to participate as an ARCTEC Board member at the next meeting.
- (Haagenson) Raises the question, "Is an abstention of voting a No vote?" Council will research and bring before the Board.

UNFINISHED BUSINESS

A. Reconsider Motion for Project Cash Flow

- (Evans/Griffith) Motion to reconsider the Project Cash Flow as approved at the August 31, Board meeting.
- (Johnson) Informs of the Roberts Rules for motion to be reconsidered.
- (Reiser) Rules the motion to reconsider was timely and by the prevailing party.
- (Evans) Provided reasons for reconsideration in his e-mail on August 31.
- (Johnson) Advised motion to reconsider will place the original motion before the Board.
- (Reiser) Declares the motion to reconsider CARRIED.

- (Griffith/Evans) Table motion and move to item H. Chair declares the motion to table CARRIED.
- B. Amended Resolution 12-007 Establishing RTO***
- (Evans/Griffith) Motion to accept the amended Resolution 12-007.
 - Suggested revisions as attached.
 - Motion to accept the amended resolution CARRIED.
- C. Resolution 12-008 RITC & Energy Supply Improvement Projects***
- (Kincaid/Griffith) Motion to accept the resolution 12-008 RITC & Energy Supply Improvement Projects
 - Suggested revisions as attached.
 - Motion to accept the amended resolution CARRIED.
- D. Resolution 12-009 Establishment of RITC and RTO***
- (Kincaid/ Schikora) Motion to accept resolution 12-009 Establishment of RITC and RTO
 - Suggested revision as attached.
 - Motion to accept the amended resolution CARRIED.
- E. Resolution 12-012 Supporting Funding of the Watana Hydroelectric Project***
- (Kincaid/Griffith) Motion to accept resolution 12-012 Supporting Funding of the Watana Hydroelectric Project.
 - Suggested revision as attached.
 - Motion to accept the amended resolution CARRIED.
- F. Resolution 12-013 Cook Inlet and Fairbanks Area Fuel Supplies***
- (Kincaid/Griffith) Motion of accept resolution 12-013 Cook Inlet and Fairbanks Area Fuel Supplies
 - Suggested revision as attached.
 - Motion to accept the amended resolution CARRIED.
- G. Resolution 12-014 Battle Creek Diversion.**
- (Kincaid/Griffith) Motion of accept resolution 12-014 Battle Creek Diversion.
 - Suggested revision as attached.
 - Motion to accept the amended resolution CARRIED.
- H. Reconsider Motion for Project Cash Flow**
- (Griffith/Evans) Motion to go into executive session at 12:45 p.m. CARRIED
 - Out of executive session at 1:15 p.m.
 - (Griffith/Evans) Motion to table.
 - Motion CARRIED with Waisanen opposing.

NEW BUSINESS

B. Legislative Strategy*

- Griffith to coordinate with Evans, Dunham and Kincaid to meet with the governor in Anchorage.

NEXT MEETING: Call of the Chair.

ADJOURNMENT: (Kincaid/Griffith) Motion to adjourn **CARRIED** at 2:00 p.m.